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Hearing Date: **October 25, 2007**
Hearing Time: **10:00 a.m.**
Objection Deadline: **October 18, 2007**

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	Case No. 05-44481 (RDD)
DELPHI CORPORATION, <i>et al.</i> ,)	(Jointly Administered)
)	
Debtors.)	

**RESPONSE OF MCNAUGHTON MCKAY ELECTRIC OF OHIO
IN OPPOSITION TO DEBTORS' TWENTY-FIRST OMNIBUS OBJECTION
PURSUANT TO 11 U.S.C. §502(b) AND FED. R. BANKR. P. 3007 TO CERTAIN (A)
DUPLICATE OR AMENDED CLAIMS, (B) UNTIMELY EQUITY CLAIM, (C)
INSUFFICIENTLY DOCUMENTED CLAIMS, (D) CLAIMS NOT REFLECTED
ON THE DEBTORS' BOOKS AND RECORDS, (E) UNTIMELY CLAIMS, AND (F)
CLAIMS SUBJECT TO MODIFICATION, TAX CLAIM SUBJECT TO
MODIFICATION, AND MODIFIED CLAIMS ASSERTING RECLAMATION**

For its Response in Opposition to Debtors' Twenty-First Omnibus Objection Pursuant to 11 U.S.C. §502(b) and Fed. R. Bankr. P. 3007 to Certain (A) Duplicate or Amended Claims, (B) Untimely Equity Claim, (C) Insufficiently Documented Claims, (D) Claims Not Reflected on Debtors' Books and Records, (E) Untimely Claims, and (F) Claims Subject to Modification, Tax Claim Subject to Modification, and Modified Claims Asserting Reclamation (the "Claim Objection"), McNaughton McKay Electric of Ohio ("McNaughton McKay") states as follows:

1. On October 8 and 14, 2005, the Debtors filed voluntary petitions in this Court for reorganization relief under chapter 11 of title 11 of the Bankruptcy Code.
2. McNaughton McKay timely filed a proof of claim for the amounts the Debtors owed McNaughton McKay as of October 8 and 14, 2005. On March 2, 2007, McNaughton

McKay filed an amended proof of claim (the “Amended Proof of Claim”) indicating that the Debtors owed McNaughton McKay a total of \$70,117.16 (the “Claim”) as of the date of the amended claim. A copy of the Amended Proof of Claim is attached hereto as Exhibit A. The Claim is comprised of a priority claim in the amount of \$23,230.90 (the “Priority Claim”)¹ and an unsecured non-priority claim in the amount of \$46,886.26 (the “Unsecured Claim”). McNaughton McKay supplies parts and materials to the Debtors, and the Claim arises out of those transactions.

3. In its Claim Objection, the Debtors object to the Amended Proof of Claim and seek to change the Debtor against whom the Claim is asserted from Delphi Corporation to Delphi Automotive Systems, LLC. The Debtors have not objected to the amount of the Priority Claim. With respect to the Unsecured Claim, the Debtors also seek a reduction of the amount of the Unsecured Claim from \$46,886.26 to \$31,270.11.

4. McNaughton McKay objects to the Debtors’ proposed modification of its Unsecured Claim from \$46,886.26 to \$31,270.11. The Claim Objection seeks a reduction of the Unsecured Claim in the amount of \$15,616.15 (the “Claim Differential”).

5. A review of the Amended Proof of Claim reveals that the Debtors' objection is misplaced. Attached to the Amended Proof of Claim is a detailed statement of all invoices comprised by the Claim.

6. Upon information and belief, the Claim Differential is partially comprised of the following amounts owed to McNaughton McKay by the Debtor:

Invoice #	Invoice Date	Trans Type	Total Amount
8138624-00	9/20/2005	INV	\$12,001.90
8138624-01	9/27/2005	INV	\$815.95

¹ Specifically, the Priority Claim is an administrative priority claim on account of a reclamation claim asserted by McNaughton McKay, pursuant to section 546(c) of the Bankruptcy Code.

77673938-00	12/16/04	INV	\$1,755.91
TOTAL			\$14,573.76

Upon further information and belief, the remaining balance of the Claim Differential owed to McNaughton McKay stems from the Debtors' erroneous reversal of a credit card payment made to McNaughton McKay for goods sold to the Debtors pre-petition.

7. As additional support for the validity of the Claim Differential amount, McNaughton McKay has attached to this Objection as Exhibit B each invoice McNaughton McKay believes to be in dispute and the shipping documentation evidencing the goods shipped to the Debtors as reflected in those invoices. These documents evidence the parts provided to the Debtors, as well as shipment thereof.

8. The Debtors' assert that the Claim should have been asserted against Delphi Automotive Systems, LLC. At this time, McNaughton McKay is without sufficient information to confirm this assertion and therefore disputes it. McNaughton McKay shipped parts to a number of Delphi facilities and customers. McNaughton McKay seeks only one recovery on its claim and submits that this issue may ultimately be resolved by stipulation between the Debtors and McNaughton McKay. McNaughton McKay hereby reserves its rights to seek recovery on the Claim from the appropriate Debtor entity and further reserves its rights to seek immediate recovery on the outstanding amounts owed from any appropriate non-debtor entity, if it is ultimately determined that a non-debtor entity issued the Purchase Orders or is otherwise obligated in whole or in part for the Claim.

9. In light of the foregoing, McNaughton McKay submits that it should be entitled to allowance of the full amount of its Priority Claim and Unsecured Claim as set forth in the Amended Proof of Claim.

WHEREFORE, the Debtors' objection to McNaughton McKay's Amended Proof of Claim should be denied.

Respectfully submitted,

CLARK HILL PLC

By: /s/ Robert D. Gordon

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